

**LOCKHEED MARTIN**  
GLOBAL TELECOMMUNICATIONS

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**FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY**

January 30, 2001

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

Re: Availability of INTELSAT Space Segment Capacity to Users and Service  
Providers Seeking to Access INTELSAT Directly (IB Docket No. 00-91) /

Dear Ms. Salas:

In order to ensure complete and accurate information in this proceeding, 47 C.F.R. § 1.65, COMSAT Corporation, a subsidiary of Lockheed Martin Global Telecommunications ("COMSAT")<sup>1</sup> wishes to apprise the Commission of the latest available data on U.S. direct access usage. In its initial Comments in this proceeding, COMSAT included a Figure 1 entitled "Direct Access Usage Is Increasing Rapidly." That figure and the accompanying text were based on information from INTELSAT on U.S. direct access usage through April 30, 2000, which at the time was the most current data available. On August 23, 2000, COMSAT submitted an updated Figure 1 based on data obtained from INTELSAT for the period through July 31, 2000.

COMSAT now has data from INTELSAT reflecting U.S. direct access usage through December 31, 2000. That data is shown on the attached Figures 1-A, 1-B, 1-C, and 1-D. As shown therein, users continued to exercise direct access opportunities throughout the year 2000, both for Bulk Capacity and Standardized Circuits. As shown in Figure 1-A, the cumulative number of direct access orders (including both Bulk Capacity leases and orders for Standardized Circuits) stood at year end at 137, up from 84 at last report. The amount of Standardized Circuit capacity in service (measured in kbps) increased each month and, as shown in Figure 1-B, now exceeds 69,000 kbps (or 1052 64-kbps equivalent circuits), up from 51,000 at last report.

The amount of direct access Bulk Capacity in service (measured in MHz) also increased dramatically over the course of the year and is currently about 400 MHz, as shown in Figure 1-C. Finally, the INTELSAT tariff value of U.S. direct access services has also increased over the course of the year 2000, and now approaches \$2 million per month, as shown in Figure 1-D. The

<sup>1</sup> Since filing its initial Comments in this proceeding, COMSAT has been acquired by Lockheed Martin Corporation and integrated into Lockheed Martin Global Telecommunications (LMGT). However, COMSAT remains the U.S. Signatory to INTELSAT (having re-executed the INTELSAT Operating Agreement to reflect its new status), and all the record references in this proceeding are to "COMSAT." Accordingly, we will continue to refer to "COMSAT" for purposes of this letter.

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cumulative tariff value for all 12 months of 2000 was over \$13.1 million. In contrast, the INTELSAT tariff value of services ordered through COMSAT in 2000 increased by only \$8.8 million compared to the run rate for December 1999. Thus, approximately 60% of the incremental growth in INTELSAT's revenues from U.S. traffic in 2000 was generated by direct access users, and only 40% by COMSAT.

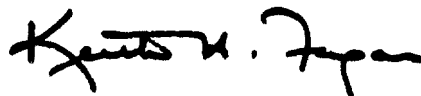
Turning to the issue of "automatic FRRs," since direct access was implemented in the U.S., COMSAT has had 99 Bulk Capacity leases come up for renewal, comprising 1453.4 MHz of capacity. As shown in the attached Figures 2-A and 2-B, it has renewed 39 of those leases, comprising 837.7 MHz, and has relinquished 60 leases, comprising 615.7 MHz. Thus, COMSAT has relinquished far more leases (in terms of numbers) than it has renewed. Even more significantly, it has relinquished 54% more Bulk Capacity (in terms of MHz) than direct access users have taken up. (*Compare* Figures 1-C and 2-B.) This helps to explain why U.S. direct access usage has increased, even though INTELSAT capacity remains in short supply.

The attached Figure 2-C shows that the trend toward non-renewal of COMSAT's Bulk Capacity increased early in the year and then leveled off at approximately 60% (in terms of number of leases) and 35-40% (in terms of MHz). Moreover, it is still true that in *every* case where COMSAT has renewed an existing Bulk Capacity lease, it has done so on behalf of an existing customer. In *no* case has COMSAT failed to relinquish a lease if its existing customer has not chosen to renew.

While "automatic FRR" procedures do not apply to Standardized Circuits, the same trend exists for Standardized Circuits as for Bulk Capacity leases. COMSAT has relinquished a total of 1772 64 kbps equivalent Standardized Circuits since direct access was implemented – 68% more Standardized Circuits than direct access users have taken up. This new information indicates that there is in fact "sufficient opportunity" for users to obtain INTELSAT capacity on a direct access basis.

In sum, after only one year, direct access usage already comprises over 11 percent of all U.S. usage of INTELSAT in terms of revenue, and that percentage is also rising steadily, as shown in the attached Figure 3. Yet, even though direct access usage is increasing rapidly, the amount of capacity relinquished by COMSAT in 2000 actually *exceeded* the amount of direct access usage. COMSAT respectfully requests that this updated information be included in the record of this proceeding.

Respectfully submitted,

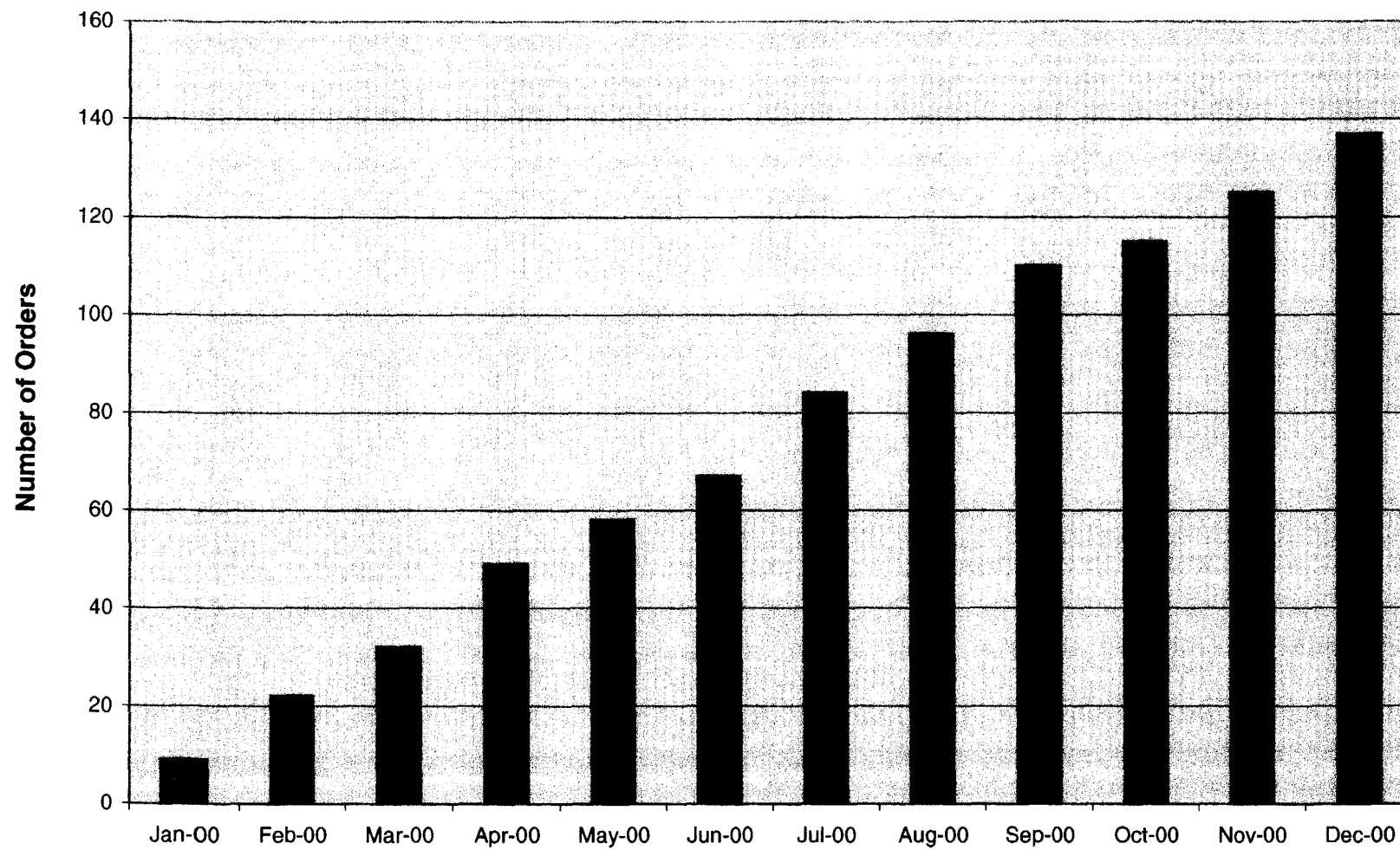


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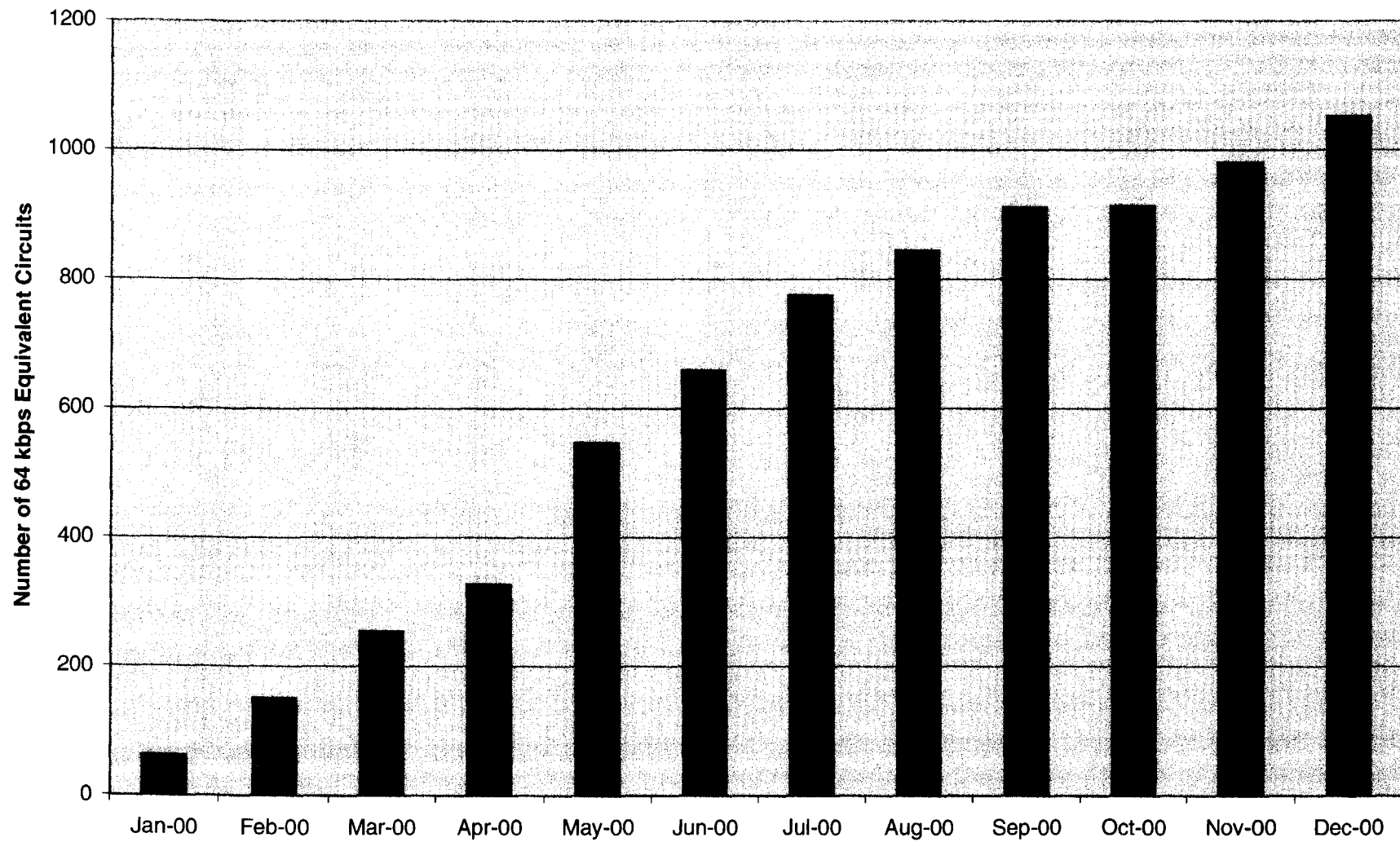
cc: All Parties

**Figure 1-A**

**Cumulative Number of Direct Access Orders**



**Figure 1-B**  
**Direct Access Standardized Circuit Capacity in Service**



**Figure 1-C**

**Direct Access Bulk Capacity in Service**

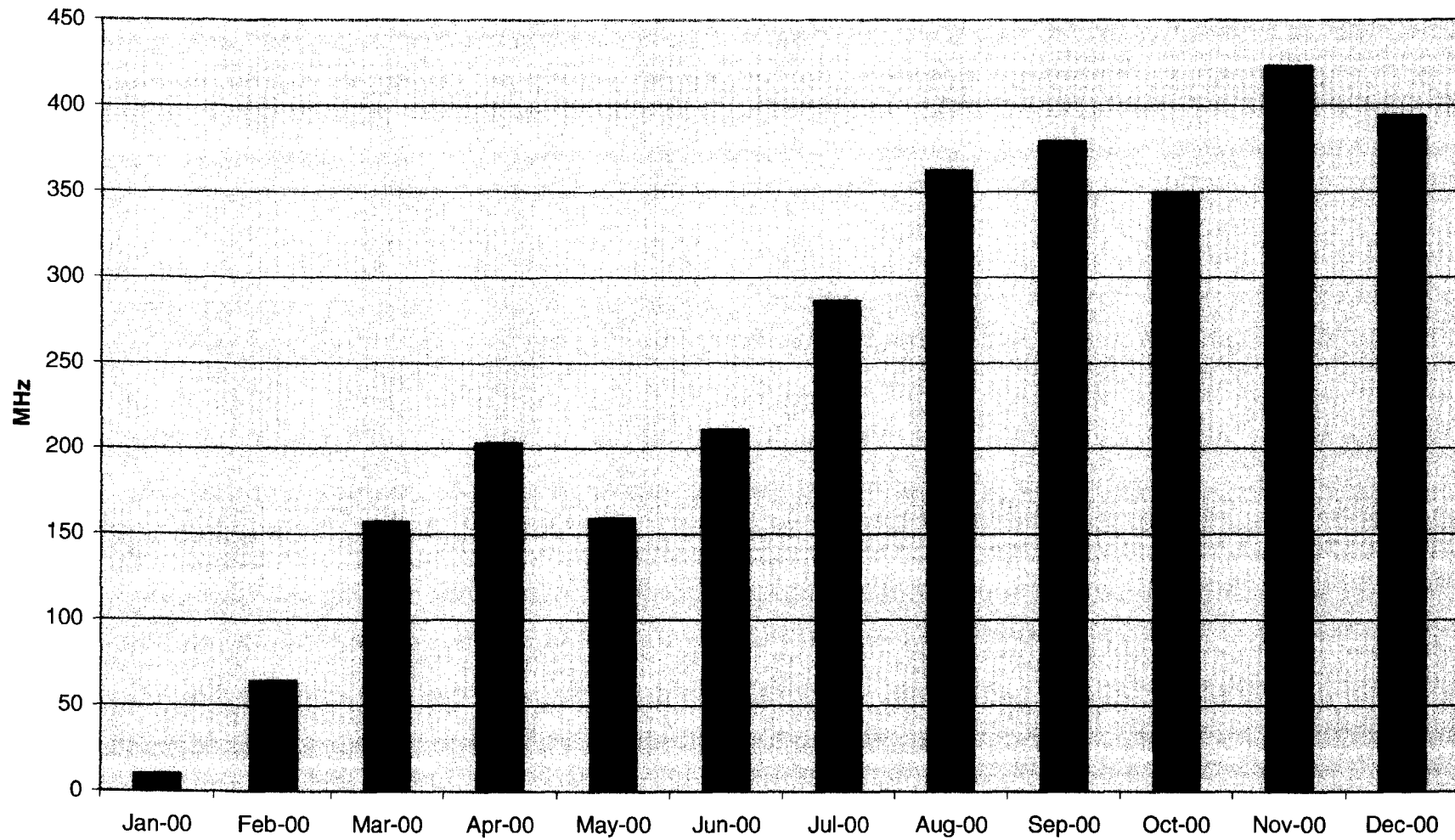


Figure 1-D

**Intelsat Tariff Value of U.S. Direct Access Services**

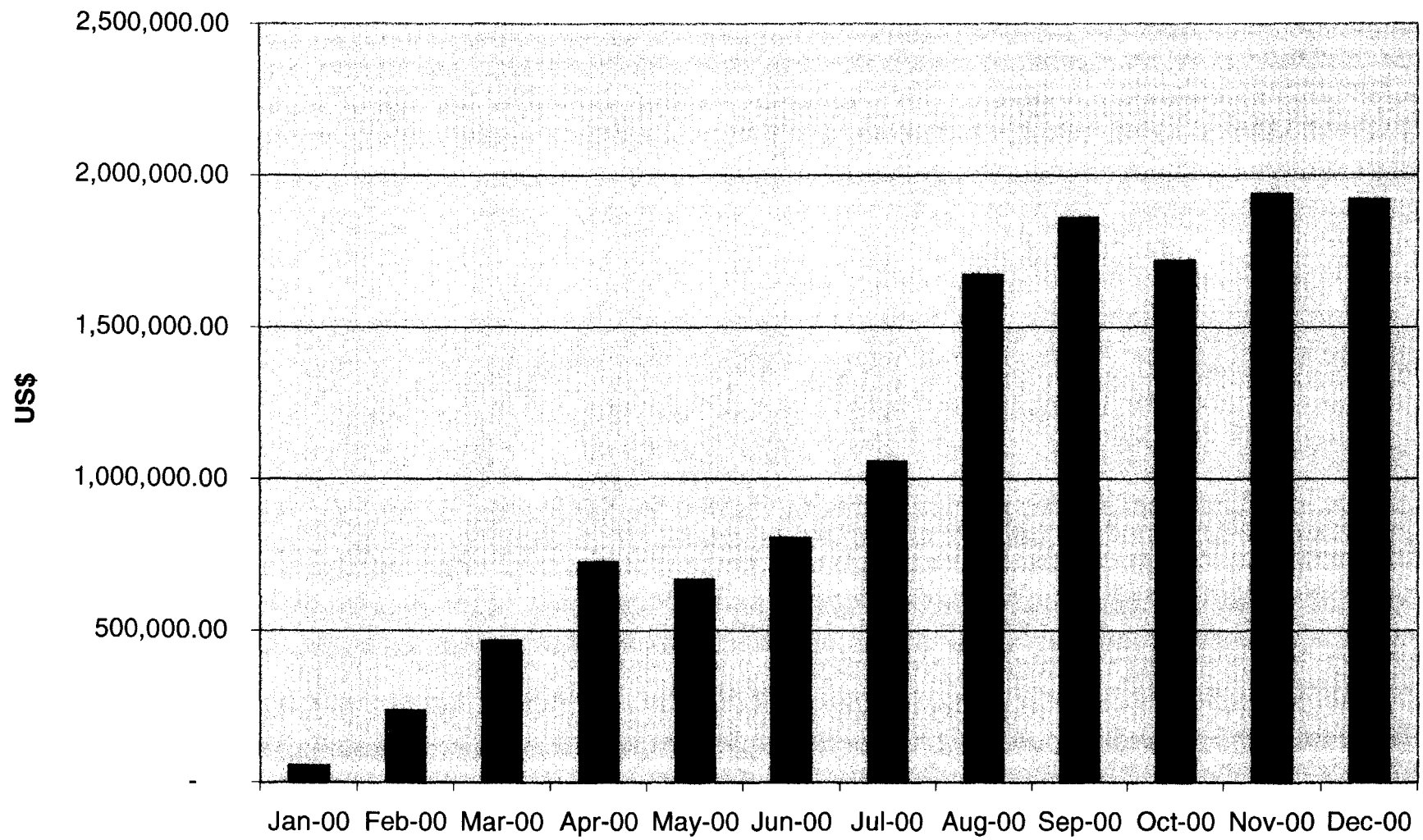


Figure 2-A

# Renewed v. Relinquished Bulk Capacity

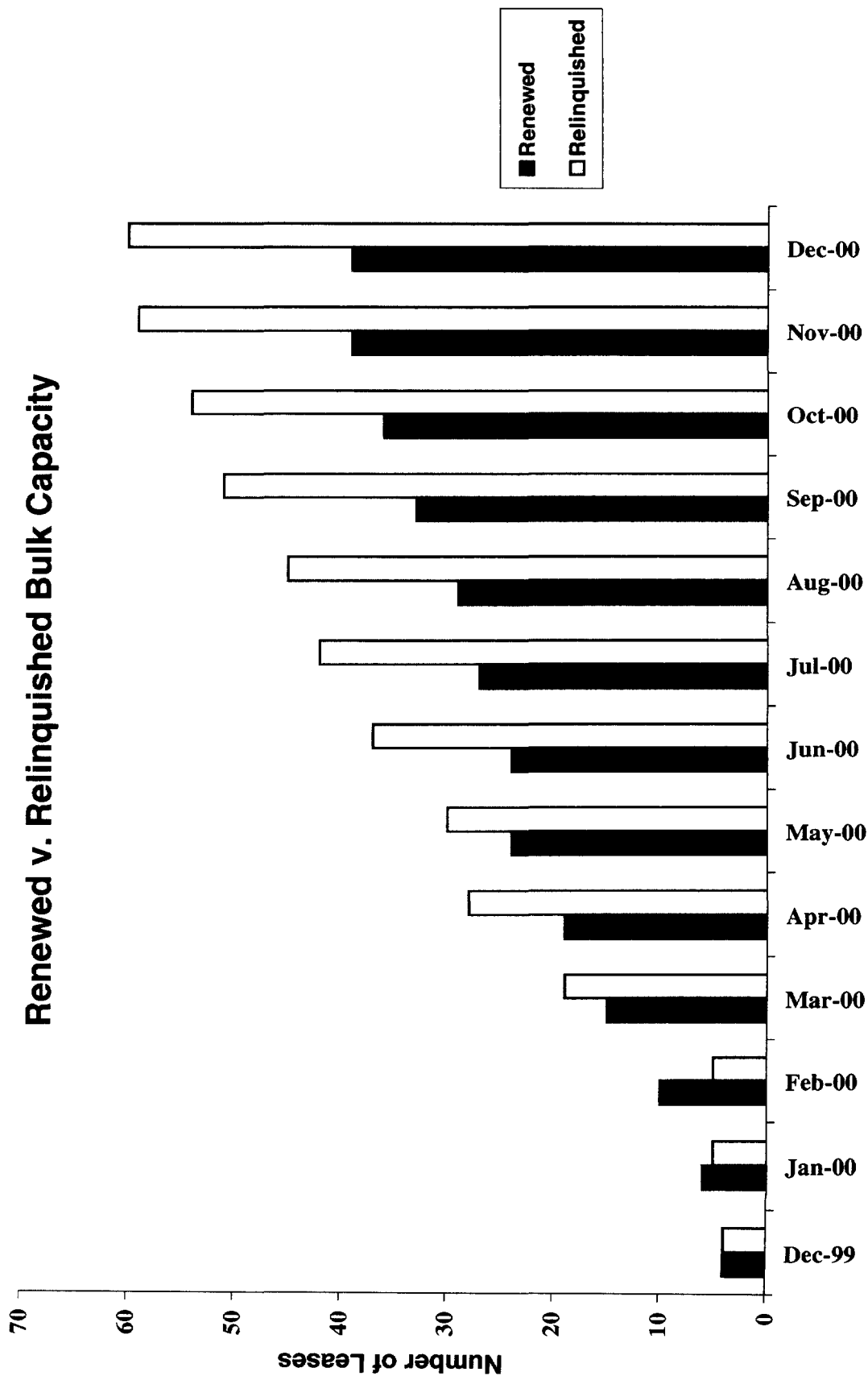


Figure 2-B

Renewed v. Relinquished Bulk Capacity

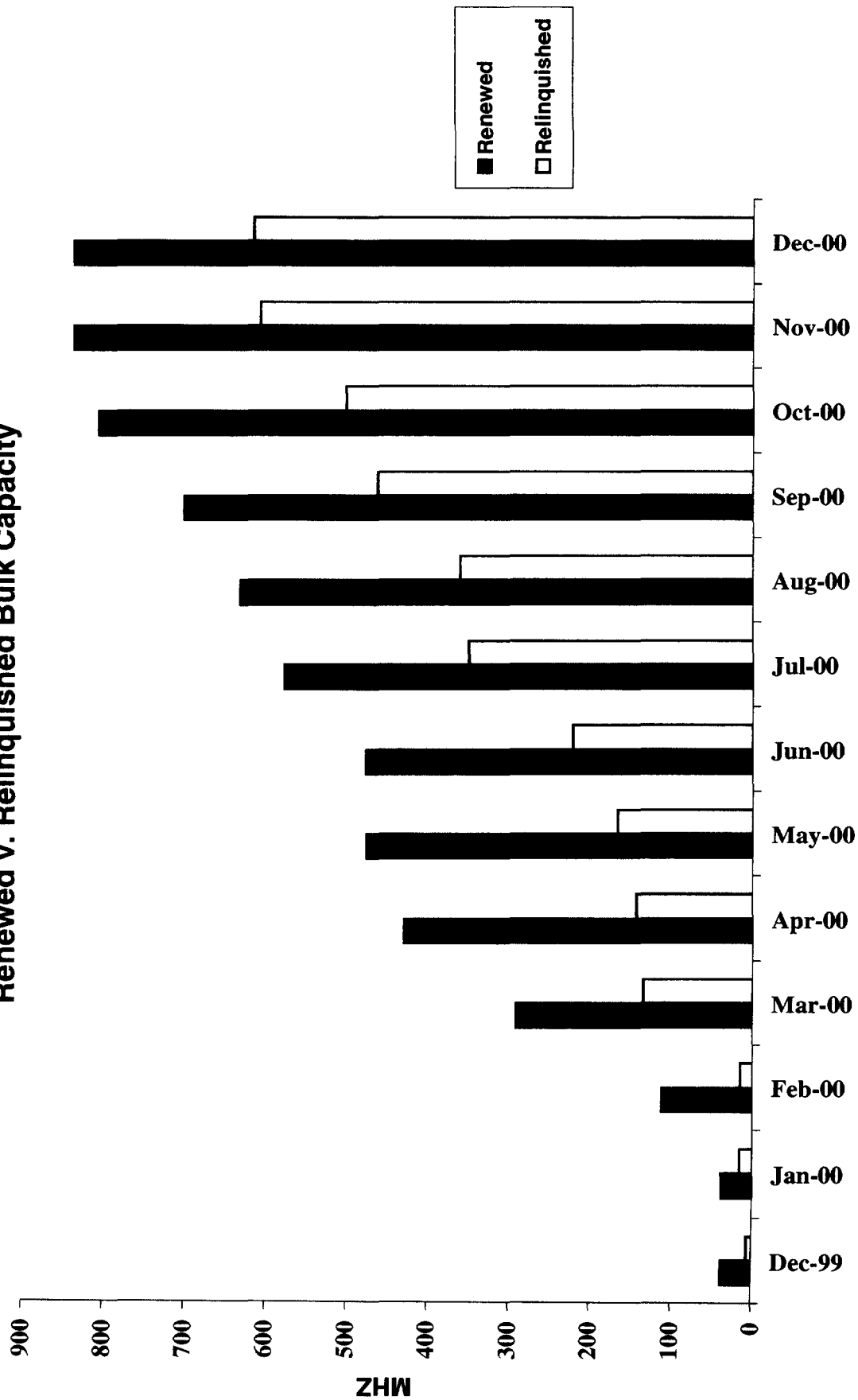


Figure 2-C

**Renewed v. Relinquished Capacity  
(% of Leases Not Renewed)**

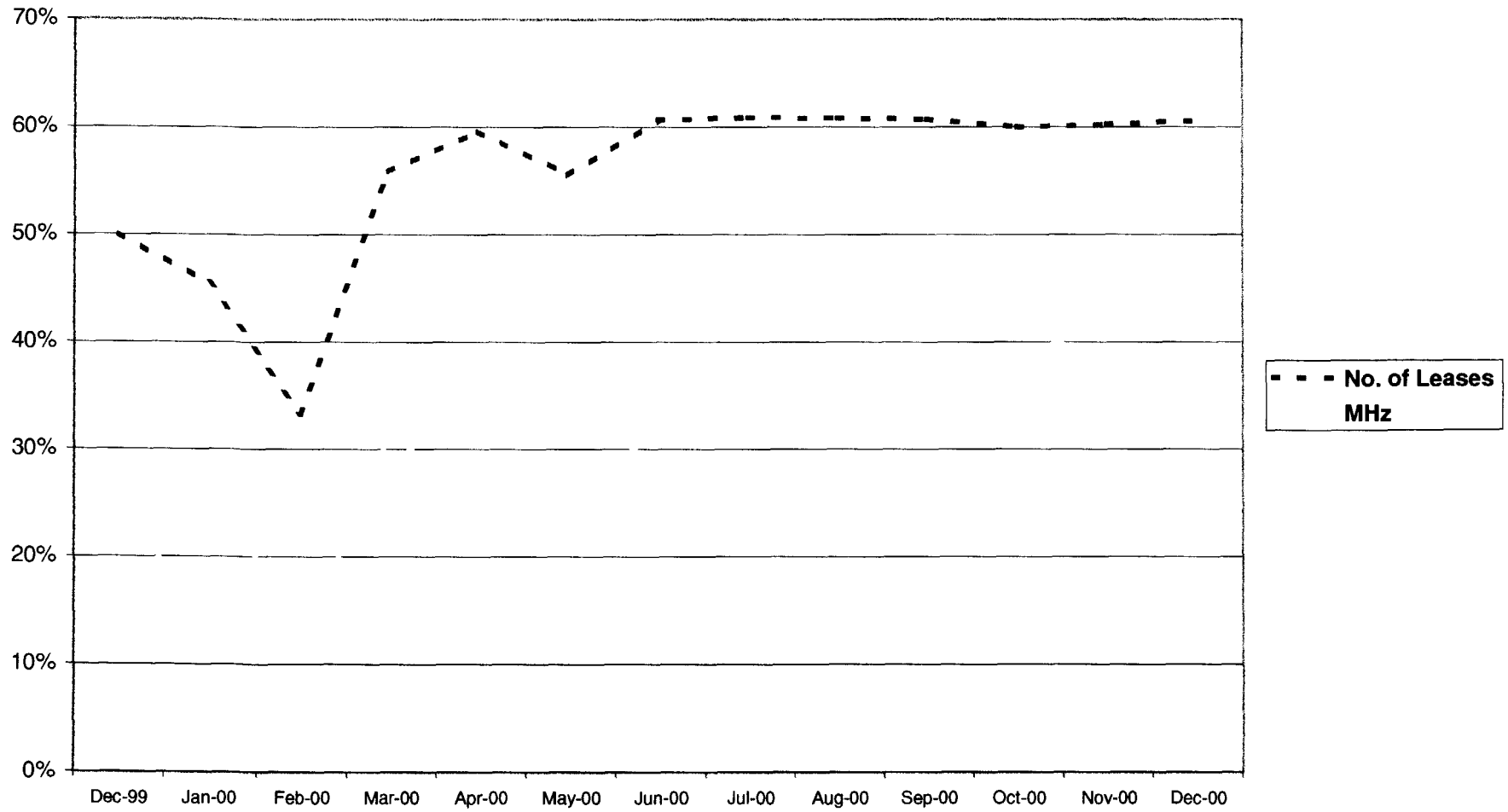


Figure 3

Direct Access as Percentage of Total U.S. Usage

